

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02747A

Los Cerros Water Co., Inc.

RECEIVED

MAR 04 2011

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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37-11

COMPANY INFORMATION

Company Name (Business Name) Los Cerros Water Co., Inc.

Mailing Address 4003 N. Flowing Wells Road - Suite 111

(Street)

Tucson

(City)

AZ

(State)

85705-2499

(Zip)

(520) 293-5500

Telephone No. (Include Area Code)

(520) 293-3810

Fax No. (Include Area Code)

(520) 401-0102

Cell No. (Include Area Code)

Email Address loscerrowater@comcast.net

Local Office Mailing Address 4003 N. Flowing Wells Road - Suite 111

(Street)

Tucson

(City)

AZ

(State)

85705-2499

(Zip)

(520) 293-5500

Local Office Telephone No. (Include Area Code)

(520) 293-3810

Fax No. (Include Area Code)

(520) 401-0102

Cell No. (Include Area Code)

Email Address los cerros water @ Comcast.net

MANAGEMENT INFORMATION

☒ **Regulatory Contact:**

☒ **Management Contact:** Jody Carlson Secretary

(Name)

(Title)

4003 N. Flowing Wells Rd - Suite 111

(Street)

Tucson

(City)

AZ

(State)

85705-2499

(Zip)

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Email Address loscerrowater@comcast.net

On Site Manager: Jody Carlson

(Name)

4003 N. Flowing Wells Road - Suite 111

(Street)

Tucson

(City)

AZ

(State)

85705-2499

(Zip)

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Fax No. (Include Area Code)

(520) 401-0102

Cell No. (Include Area Code)

Email Address loscerrowater@comcast.net

Statutory Agent: Richard A. Block, P.C.

(Name)

1050 East River Road, Suite 203 Tucson AZ 85718-5736

(Street)

(City)

(State)

(Zip)

(520) 577-7575 (520) 577-7599

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Richard A. Block

(Name)

1050 East River Road, Suite 203 Tucson AZ 85719-5736

(Street)

(City)

(State)

(Zip)

(520) 577-7575 (520) 577-7599

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address rab@bglegal.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☒ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☒ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

Company Name: Los Cerros Water Co., Inc.

UTILITY PLANT IN SERVICE

Acct No	Description	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	\$ -	\$ -	\$ -
303	Land and Land Rights	\$ 5,650	\$ -	\$ 5,650
304	Structures and Improvements	\$ 11,126	\$ 11,126	\$ -
307	Wells and Springs	\$ 480,047	\$ 206,204	\$ 273,843
311	Pumping Equipment	\$ 135,957	\$ 135,957	\$ -
320	Water Treatment Equipment	\$ 2,691	\$ 1,270	\$ 1,421
330	Distribution Reservoirs and Standpipes	\$ 55,578	\$ 55,578	\$ -
331	Transmission and Distribution Mains	\$ 395,438	\$ 395,438	\$ -
333	Services	\$ 118,651	\$ 92,381	\$ 26,270
334	Meters and Meter Installations	\$ 151,601	\$ 66,483	\$ 85,118
335	Hydrants	\$ 7,872	\$ 7,686	\$ 186
336	Backflow Prevention Devices	\$ -	\$ -	\$ -
339	Other Plant and Misc Equipment	\$ 5,297	\$ 670	\$ 4,627
340	Office Furniture and Equipment	\$ 12,750	\$ 2,763	\$ 9,987
341	Transportation Equipment	\$ -	\$ -	\$ -
343	Tools, Shop and Garage Equipment	\$ -	\$ -	\$ -
344	Laboratory Equipment	\$ -	\$ -	\$ -
345	Power Operated Equipment	\$ -	\$ -	\$ -
346	Communication Equipment	\$ -	\$ -	\$ -
347	Miscellaneous Equipment	\$ 1,017	\$ 453	\$ 564
348	Other Tangible Plant	\$ -	\$ -	
	TOTALS	\$ 1,383,675	\$ 976,009	\$ 407,666

(AD) = This amount goes on the Balance Sheet Acct No 108

Company Name: Los Cerros Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct No	Description	Original Cost (OC)	Depreciation Percentage -2	Depreciation Expense (1 x 2)
301	Organization	\$ -		\$ -
302	Franchises	\$ -		\$ -
303	Land and Land Rights	\$ 5,650		\$ -
304	Structures and Improvements	\$ 11,126	Final	\$ 172
307	Wells and Springs	\$ 480,047	5%	\$ 24,002
311	Pumping Equipment	\$ 135,957	Final	\$ 4,560
320	Water Treatment Equipment	\$ 2,691	5%	\$ 135
330	Distribution Reservoirs and Standpipes	\$ 55,578		\$ -
331	Transmission and Distribution Mains	\$ 395,438	Final	\$ -
333	Services	\$ 118,651	5%	\$ 5,933
334	Meters and Meter Installations	\$ 151,601	5%	\$ 7,580
335	Hydrants	\$ 7,872	5%	\$ 394
336	Backflow Prevention Devices	\$ -	5%	\$ -
339	Other Plant and Misc Equipment	\$ 5,297	5%	\$ 265
340	Office Furniture and Equipment	\$ 12,750	5%	\$ 638
341	Transportation Equipment	\$ -	5%	\$ -
343	Tools, Shop and Garage Equipment	\$ -	5%	\$ -
344	Laboratory Equipment	\$ -	5%	\$ -
345	Power Operated Equipment	\$ -	5%	\$ -
346	Communication Equipment	\$ -	5%	\$ -
347	Miscellaneous Equipment	\$ 1,017	5%	\$ 51
348	Other Tangible Plant	\$ -	5%	\$ -
	TOTALS	\$ 1,383,675		\$ 43,728

Depreciation Expense = This amount goes on the Comparative Statement of Income and Expense Acct No. 403

Company Name: Los Cerros Water Co., Inc.

BALANCE SHEET

Acct. No.	ASSETS	Balance at Beginning of Year	Balance at End of Year
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$46,031	\$25,803
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$11,609	\$16,100
146	Notes/Receivable from Associated Companies	\$0	\$0
151	Plant Material and Supplies		
162	Prepayments	\$82	\$302
174	Miscellaneous Current and Accrued Assets	\$0	\$0
	TOTAL CURRENT AND ACCRUED ASSETS	\$57,722	\$42,205
	FIXED ASSETS		
101	Utility Plant in Service	\$1,376,449	\$1,383,675
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(\$934,368)	(\$976,009)
121	Non-Utility Property		
122	Accumulated Depreciatin - Non Utility		
	TOTAL FIXED ASSETS	\$442,081	\$407,666
	TOTAL ASSETS	\$499,803	\$449,871

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Company Name: Los Cerros Water Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	Balance at Beginning of Year	Balance at End of Year
	CURRENT LIABILITIES		
231	Accounts Payable	\$165	\$145
232	Notes Payable (Current Portion)		
234	Notes/Accts Payable to Associated Companies		
235	Customer Deposits	\$65,874	\$54,918
236	Accrued Taxes	\$2,294	\$2,639
237	Accrued Interest		
241	Miscellaneous Current and Accured Liabilities		
	TOTAL CURRENT LIABILITIES	\$68,333	\$57,702
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$383,525	\$368,663
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$195,807	\$195,807
272	Less: Amortization of Contributions	(\$122,707)	(\$132,497)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$456,625	\$431,973
	TOTAL LIABILITIES	\$524,958	\$489,675
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 100,000	\$ 100,000
211	Paid in Capital in Excess of Par Value	\$ 103,550	\$ 103,550
215	Retained Earnings	\$ (228,705)	\$ (243,354)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (25,155)	\$ (39,804)
	TOTAL LIABILITIES AND CAPITAL	\$ 499,803	\$ 449,871

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	Prior Year	Current Year
461	Metered Water Revenue	\$358,736	\$344,385
460	Unmetered Water Revenue	\$0	\$0
474	Other Water Revenues	\$6,210	\$6,121
	TOTAL REVENUES	\$364,946	\$350,506
	OPERATING EXPENSES		
601	Salaries and Wages	\$86,500	\$86,975
610	Purchased Water	\$0	\$0
615	Purchased Power	\$34,631	\$34,174
618	Chemicals	\$1,292	\$1,020
620	Repairs and Maintenance	\$7,897	\$19,243
621	Office Supplies and Expense	\$25,845	\$19,058
630	Outside Services	\$21,628	\$22,626
635	Water Testing	\$4,104	\$895
641	Rents	\$58	\$233
650	Transportation Expenses	\$1,463	\$2,004
657	Insurance - General Liability	\$2,942	\$2,728
659	Insurance - Health and Life	\$5,626	\$7,440
666	Regulatory Commission Expense - Rate Case	\$0	\$0
675	Miscellaneous Expense	\$3,471	\$6,500
403	Depreciation Expense***	\$ 40,386	\$ 33,938
408	Taxes other Than Income	\$8,511	\$8,216
408.11	Property Taxes	\$ 18,645	\$ 19,098
409	Income Tax	\$ -	\$ -
	TOTAL OPERATING EXPENSES	\$ 262,999	\$ 264,148
	OPERATING INCOME (LOSS)	\$ 101,947	\$ 86,358
	OTHER INCOME (EXPENSE)		
419	Interest and Dividend Income	\$ 11	\$ 1
421	Non-Utility Income	\$ 465	\$ -
426	Miscellaneous Non-Utility Expenses	\$ -	\$ (629)
427	Interest Expense	\$ (479)	\$ (379)
	TOTAL OTHER INCOME (EXPENSE)	\$ (3)	\$ (1,007)
	NET INCOME (LOSS)	\$ 101,944	\$ 85,351
*** Depreciation		\$ 50,176	\$ 43,728
Less: A/A for CIAC		\$ (9,790)	\$ (9,790)
Total		\$ 40,386	\$ 33,938

COMPANY NAME: LOS CERROS WATER COMPANY, INC.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$48,188.00

Meter Deposits Refunded During the Test Year \$10,460.00

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
Wilds 55-802342	30	250	518'	10"	3"	1971
Fiesta 55-805783	10	130	N/A	8"	3"	N/A
LDO 55-804734	30	400	396'	10"	3"	1974
Silver Buckle 55-591958	20	100	564'	12"	3"	2003

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	2	52	
10	2		
7.5 (Silver Buckle)	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
60000 (LDO)	1	5000 (Fiesta/Wilds)	2
375000 (Silver Buckle)	1	20000 (Swan/LDO)	2
		5000 (Silver Buckle)	1

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co. Inc.	ADEQ PWS NUMBER: 10128

Water Company Plant Description (Continued)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	7360
3	PVC	2395
4	PVC	25080
5		
6	PVC	29141
8	PVC	18532
10		
12	PVC	588

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 x 3/4	831
3/4	5
1	16
1 1/2	
2	7
Comp. 3	1
Turbo 3	
Comp. 4	
Turbo 4	
Comp 5	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

LDO Chlorinator

Wilds Road Chlorinator

Chemical Pump

8 gpm Chemical Feed Pump

Siver Buckle Well - Plusatron Chemical Feed Pump (20 gal 3/8" Line)

STRUCTURES:

Existing Fences (Chainlink surrounding all 4 wells) Approx 29' x 20' area for each well site

Shed @ Wilds Road Well Site

Fence @ pumping stations

OTHER:

None

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	808	5440	5763
FEBRUARY	811	4854	4134
MARCH	808	4378	4684
APRIL	819	6889	7627
MAY	812	7264	7988
JUNE	827	9545	10342
JULY	824	9832	10757
AUGUST	822	7343	8014
SEPTEMBER	822	8342	9085
OCTOBER	825	7675	8430
NOVEMBER	812	6612	6912
DECEMBER	828	6578	6654
TOTAL		84752	90390

What is the level of arsenic for each well on your system?

(If more than one well, please list each separately.)

	mg/l
Wilds Road Well	<0.001
Fiesta Wells	<0.001
Lago Del Oro Well	<0.001
Silver Buckle Well	<0.001

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(☒) YES (☐) NO

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(☒) YES (☐) NO

Does the Company have an ADWR Gallons Per Capital Per Day (GPCPD) Requirement?

(☐) YES (☒) NO

If yes, provide the GPCPD amount: _____

NOTE: If you are filing for more than one system, please provide separate data sheets for each system.

Company Name: Los Cerros Water Co., Inc.	
Name of System: Los Cerros Water Co., Inc.	ADEQ PWS NUMBER: 10128

UTILITY SHUTOFFS/DISCONNECTS

MONTH	Termination w/o Notice R14-2-410.B	Termination w/ Notice R14-2-410.C	OTHER
JANUARY	0	13	0
FEBRUARY	0	13	0
MARCH	0	8	0
APRIL	0	5	0
MAY	0	5	0
JUNE	0	6	0
JULY	0	12	0
AUGUST	0	4	0
SEPTEMBER	0	3	0
OCTOBER	0	10	0
NOVEMBER	0	6	0
DECEMBER	0	4	0
TOTALS	0	89	0

OTHER (Description):

COMPANY NAME Los Cerros Water Co., Inc

YEAR ENDING 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 19.098.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Alan R. Friedman</u>
COMPANY NAME
<u>Los Cerros Water Co., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

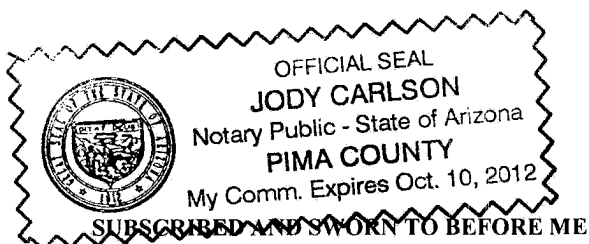
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



Alan R. Friedman
SIGNATURE OF OWNER OR OFFICIAL
(520) 293-5500
TELEPHONE NUMBER

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3rd

DAY OF

COUNTY NAME	<u>Pima</u>	
MONTH	<u>march</u>	<u>2011</u>

(SEAL)

MY COMMISSION EXPIRES Oct 10, 2012

Jody Carlson
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Los Cerros Water Co., Inc.

YEAR ENDING 12/31/2010

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>86,378</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>86,378</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Alan R. Friedman
SIGNATURE

3/3/2011
DATE

Alan R. Friedman
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Alan R. Friedman</u>
COMPANY NAME
<u>Los Cerros Water Co., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

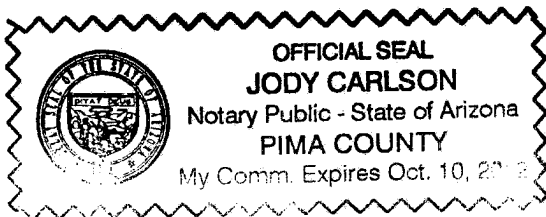
FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:



Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 375,628

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 25,122
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL
(520) 293-5500

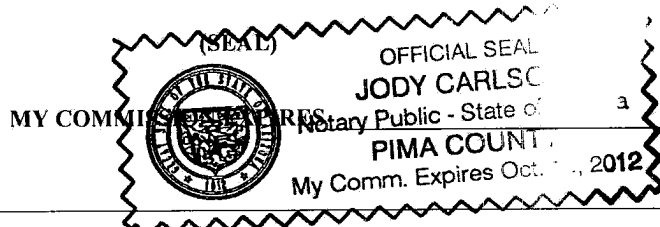
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 3rd DAY OF

COUNTY NAME	
<u>Pima</u>	
MONTH <u>March</u>	<u>20</u> <u>11</u>



Jody Carlson
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Alan R. Friedman	TITLE President
COMPANY NAME Los Cerros Water Co., Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 350,673

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 22,209
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

(520) 293-5500
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3rd

DAY OF

NOTARY PUBLIC NAME Jody Carlson	
COUNTY NAME Pima	
MONTH March	2011

(SEAL)

MY COMMISSION EXPIRES

SIGNATURE OF NOTARY PUBLIC

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

LOS CERROS WATER CO INC
ATTN: JODY CARLSON
4003 N FLOWING WELLS ROAD
TUCSON AZ 85705-2404

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2010 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
916	81	0060	\$ 19,057.48	9/24/2010

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/16/2010	FULL YEAR	\$19,057.48	\$0.00	\$0.00	\$19,057.48
	TOTAL PAID	\$19,057.48	\$0.00	\$0.00	\$19,057.48

PROPERTY ADDRESS

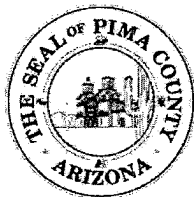
TAX YEAR 2010 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

LOS CERROS WATER CO INC
ATTN: JODY CARLSON
4003 N FLOWING WELLS ROAD
TUCSON AZ 85705-2404

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2010 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
222	37	0130	\$ 13.67	9/23/2010

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/16/2010	FULL YEAR	\$13.67	\$0.00	\$0.00	\$13.67
	TOTAL PAID	\$13.67	\$0.00	\$0.00	\$13.67

PROPERTY ADDRESS

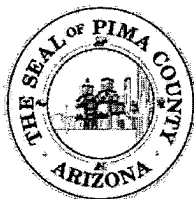
TAX YEAR 2010 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

LOS CERROS WATER CO INC
ATTN: JODY CARLSON
4003 N FLOWING WELLS ROAD
TUCSON AZ 85705-2404

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2010 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
222	40	043A	\$ 13.67	9/23/2010

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/16/2010	FULL YEAR	\$13.67	\$0.00	\$0.00	\$13.67
	TOTAL PAID	\$13.67	\$0.00	\$0.00	\$13.67

PROPERTY ADDRESS

14970 N LAGO DEL ORO PW

TAX YEAR 2010 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

LOS CERROS WATER CO INC
ATTN: JODY CARLSON
4003 N FLOWING WELLS ROAD
TUCSON AZ 85705-2404

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2010 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
222	42	0110	\$ 13.67	9/23/2010

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/16/2010	FULL YEAR	\$13.67	\$0.00	\$0.00	\$13.67
TOTAL PAID		\$13.67	\$0.00	\$0.00	\$13.67

PROPERTY ADDRESS

TAX YEAR 2010 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER